

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON APPROPRIATIONS**

**Call to Order:** By **CHAIRMAN DAVE LEWIS**, on March 26, 2003 at 8:05 A.M., in Room 102 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Dave Lewis, Chairman (R)  
Rep. Rosalie (Rosie) Buzzas, Vice Chairman (D)  
Rep. Edith Clark, Vice Chairman (R)  
Rep. John Brueggeman (R)  
Rep. Tim Callahan (D)  
Rep. Stanley (Stan) Fisher (R)  
Rep. Eve Franklin (D)  
Rep. Dick Haines (R)  
Rep. Donald L. Hedges (R)  
Rep. Joey Jayne (D)  
Rep. Carol C. Juneau (D)  
Rep. Dave Kasten (R)  
Rep. Christine Kaufmann (D)  
Rep. Monica Lindeen (D)  
Rep. John Musgrove (D)  
Rep. Jeff Pattison (R)  
Rep. Rick Ripley (R)  
Rep. John Sinrud (R)  
Rep. John Witt (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Jon Moe, Legislative Branch  
Mary Lou Schmitz, Committee Secretary

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB 13, HB 761, HB 762, 3/21/2003  
Executive Action: HB 651, HB 762, HB 756, HB 360, HB  
13, HB 761, HB 746, HB 74

**HEARING ON HB 762**

**Sponsor:** REP. JOHN BRUEGGEMAN, HD 74, Polson

**Opening Statement by Sponsor:**

**REP. BRUEGGEMAN** said this bill provides for the bonding to replace the POINTS system, \$17.1 million in General Obligation bonds for the Information Technology (IT) Project. Strong IT management is needed. There is no other option because the Federal Government can sanction Montana when it comes to the Unemployment Insurance Tax collections, by not continuing the tax credit for the employers.

**Proponents' Testimony:**

**Kurt Alme, Director, Department of Revenue**, said he will restate the testimony he gave yesterday in support of SB 271 and will be available to answer questions.

**Brian Wolf, Chief Information Officer, State of Montana**, said they have identified these as seven-year life cycle bond instruments. In regard to the debt service, the first two-year, the first biennium, is an interest only debt obligation of about \$460,000. **Cathy Muri, Department of Administration**, said for the 2004-2005 biennium, debt service is \$461,700, interest only. The grand total, principle and interest, would be \$19.156 million. For the 2007 biennium, it is \$5.9 million; the 2009 biennium is \$5.8 million; the 2011 biennium is \$5.6 million; the last payment would be \$1.3 million in 2012.

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. PATTISON** said, "Without this bill, SB 271 doesn't have funding." **CHAIRMAN LEWIS** said, "That is correct."

**REP. LINDEEN** asked what they use General Obligation bonds for. **Ms. Muri** said, "Contract Services are a fairly common use for bond proceeds. In the past, the state has bonded for the majority of the long range building program, which is the Capitol project. Personal Services is itemized in this bill. Based on a recommendation of their bond counsel, it is a legitimate cost for bonding."

**Closing by Sponsor:**

**REP. BRUEGGEMAN** closed the hearing on HB 762.

**HEARING ON HB 13**

**Sponsor:** **REP. DAVE LEWIS, HD 55, Helena**

**Opening Statement by Sponsor:**

**REP. LEWIS** said this bill started out to be the state pay plan. The pay plan originally was \$8.1 million to cover the cost of insurance increases for employee-only members of the state insurance pool. Since then there has been a further increase projected for the cost of insurance. This bill was heard in the State Administration Committee. Their conclusion was that if this committee passed HB 360, then they felt that if the bill was going to reduce state employees by 400, the remaining employees should get a 45 cent an hour raise. **REP. LEWIS** supports what the State Administration Committee has recommended and asked for a positive vote from this committee.

**Proponents' Testimony:**

**Tom Schneider, Montana Public Employees' Association**, said HB 13, as it was written, was purported to be a wage freeze, but in essence, it was going to be a wage cut because health coverage is going up between \$90 and \$120 a month over the next two years and while the bill did have money for the employer contribution to the health plan which would cover the cost of the single employee premium, it did not have enough money to cover what is really going to happen with the health plan and that is that dependent coverage is going up considerably over the next two years. That will also hit retirees, but the state does not contribute to retirees' health insurance.

**Todd Lovshin, MEA/MFT**, said he supports HB 13 as amended. He also suggested an amendment, Page 2, line 26, to strike out everything after 45 cents an hour. The same on line 30.

**{Tape: 1; Side: A; Approx. Time Counter: 0 - 30}**

**Opponents' Testimony:**

**Chuck Swysgood, Director, Office of Budget and Program Planning**, said, "In spite of the magnificent job state employees do, the state cannot afford this at this time. He asked the committee to not support this bill in its current form"

**John McEwen, State Personnel Administrator, Department of Administration,** opposed the bill and said he would be available for questions.

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. RIPLEY** referred a question to **Mr. Lovshin** concerning his suggested amendment. "How much would it cost?" **Mr. Lovshin** said it would cost \$180,000 a year. These are employees who were impacted due to closures at Galen and then downgraded when their positions were changed at Warm Springs. They have been outside of that scale for almost four years so it would allow them some sort of raise.

**REP. RIPLEY** referred to Page 19, salary schedule for education. "How does the 45 cent per hour affect people on that salary schedule?" **Mr. Lovshin** said it increases the base on each of those steps by what equates to 45 cents an hour. It will keep the same structure of the schedule but it doesn't provide for any movement.

**REP. FISHER** asked if the 45 cents is over and above a raise that the employees have been given by the administration. **Mr. Lovshin** said currently the administration has proposed a 0% increase or a pay freeze over the biennium coming up. This would be a 45 cent raise and there is no additional raise beyond that. This raise of 45 cents an hour will barely cover the projected out-of-pocket dependent care costs over the next biennium. It almost keeps them equal with their current buying power.

**REP. KASTEN** asked how much did the insurance increase cost. **Mr. McEwen** said the original bill had \$8.1 million General Fund for the increase in health-care contributions. If the trend of 12% continues, then add 12% for the next two years.

**REPS. RIPLEY, KAUFMANN, and JUNEAU,** referred questions to **Mr. McEwen** and **REP. LEWIS** for further clarification.

***{Tape: 1; Side: B; Approx. Time Counter: 0 - 29.5}***

In response to a question from **REP. KASTEN**, **REP. LEWIS** said, "He would guess that almost all of the FTE increases in this budget are driven by federal money. There are a few General Fund FTE scattered here and there. Anytime there are grants of federal money, they generate FTE. This budget is \$524 million more than the last budget, mainly because of federal money. If that money goes away, those employees go away. The legislature does not

have the ability to pick those up with General Fund. The base General Fund employment in state government is either stable or down somewhat over the last few years. There are two separate pictures: what the state taxpayers are paying for and what is paid for with federal money that is coming in for specific purposes. There is growth there, such as the Department of Transportation and the Department of Public Health and Human Services."

"If suddenly there was not a \$300 million a year highway construction program and the federal money quit coming, the state would have a commensurate reduction in state work-force, because the state taxpayer does not have the capacity to offset that."

**REPS. FISHER, CALLAHAN and PATTISON** asked for further clarification from **REP. LEWIS**.

**Closing by Sponsor:**

**REP. LEWIS** said one of the major issues that was discussed, is the difference between salaries of state employees and the equivalent kinds of jobs in the private sector. The latest salary surveys that have been done by the State Personnel Division, show about 15% under for the state level than the same job in the private sector. State government is not that lucrative. The problem is, the private sector in Montana is so bad that everyone assumes that somebody else is making more money. The surveys don't show that.

The pay raise for families will probably cover the increased cost of insurance. If the legislature approves the entire inter-related package, 400 positions will be eliminated permanently and state government will ask the remaining employees to do exactly what they are doing now with 400 fewer positions in state government.

**REP. LEWIS** closed the hearing on HB 13.

**HEARING ON HB 761**

**Sponsor:** **REP. DICK HAINES, HD 63, Missoula**

**Opening Statement by Sponsor:**

**REP. HAINES** said this bill involves the issue of providing a military cemetery in the Missoula area. He was prompted to submit this bill originally because of the indecision and inaction of various parties trying to establish a veterans'

cemetery in the City of Missoula. The veterans in the area were frustrated and some angry because something could not be done to meet their needs. There is an existing U.S. Army cemetery of about two acres in size at Fort Missoula. The original idea was to expand the area of the Army cemetery with a state cemetery around it. The parties that would have been involved for that ground were Missoula County, City of Missoula, Missoula County Public School system, the University of Montana and probably some state land, Department of Natural Resources. Much of Fort Missoula is now owned by these entities and there is not much more left that belongs to the Federal Government or the U.S. Army. Nobody would make any concessions or come to an agreement on these things.

He has modified the concept of the bill considerably. This bill gives the Department of Military Affairs the authority to exercise a domain for a veterans' cemetery. It appropriates \$150,000 from a state special revenue account for the department to do the pre-application inspection and all the other requirements. The \$150,000 comes out of a fund that comes from the veterans' tags on their license plates if they get the special veteran's license.

***{Tape: 2; Side: A; Approx. Time Counter: 0 - 29.8}***

The bill provides no money for condemnation payment, only money to be spent is on evaluation and that to be reimbursed.

**Proponents' Testimony:**

**Ann Mary Dussault, Chief Administrator Officer, Missoula County,** said they are in support of the bill with the proposed amendments suggested by **REP. HAINES**.

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REPS. FISHER** and **JAYNE** referred questions to the sponsor for further clarification.

**Closing by Sponsor:**

**REP. HAINES** closed the hearing on HB 761.

EXECUTIVE ACTION ON HB 651

Motion: REP. HEDGES moved that HB 651 DO PASS.

Substitute Motion: REP. PATTISON made a substitute motion that HB 651 BE TABLED. Motion carried 11-8 with REPS. BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting no on a roll call vote.

EXECUTIVE ACTION ON HB 762

Motion: REP. BRUEGGEMAN moved that HB 762 DO PASS.

Motion/Vote: REP. BRUEGGEMAN moved that HB 762 BE AMENDED, HB076201.acs, Exhibit 1. Motion carried unanimously 19-0 on a voice vote.

**EXHIBIT**(aph64a01)

Motion: REP. BRUEGGEMAN moved that HB 762 DO PASS AS AMENDED.

Motion: REP. KAUFMANN moved that HB 762 BE CONCEPTUALLY AMENDED, TO AMEND HB 560 INTO THIS BILL. Motion failed 8-11 with REPS. BUZZAS, CALLAHAN, FRANKLIN, HAINES JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting yes on a roll call vote.

Motion/Vote: REP. BRUEGGEMAN moved that HB 762 DO PASS AS AMENDED. Motion carried 11-8 with REPS. BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting no on a roll call vote.

EXECUTIVE ACTION ON HB 756

Motion: REP. KAUFMANN moved that HB 756 DO PASS.

Motion/Vote: REP. KAUFMANN moved that HB 756 BE AMENDED, HB075601.als, Exhibit 2. Motion carried 18-1 with REP. KASTEN voting no on a voice vote.

**EXHIBIT**(aph64a02)

Motion: REP. KAUFMANN moved that HB 756 DO PASS AS AMENDED.

Motion: REP. RIPLEY moved that HB 756 BE AMENDED, HB075601.acs, Exhibit 3.

**EXHIBIT**(aph64a03) .

*{Tape: 2; Side: B; Approx. Time Counter: 0 - 29.7}*

Vote: Motion on amendment HB075601.acs failed 5-14 with REPS. FISHER, KASTEN, PATTISON, SINRUD and WITT voting yes on a roll call vote.

Motion/Vote: REP. KAUFMANN moved that HB 756 DO PASS AS AMENDED. Motion carried 13-6 with REPS. CLARK, FISHER, KASTEN, PATTISON, SINRUD and WITT voting no on a roll call vote.

#### EXECUTIVE ACTION ON HB 360

Motion: REP. CLARK moved that HB 360 DO PASS.

Motion/Vote: REP. LEWIS moved that HB 360 BE AMENDED, HB036001.acs, Exhibit 4. Motion carried unanimously 18-0 on a voice vote. REP. FRANKLIN out of the room.  
**EXHIBIT**(aph64a04)

Motion/Vote: REP. LEWIS moved that HB 360 BE CONCEPTUALLY AMENDED TO MAKE THE BILL CONTINGENT ON PASSAGE AND APPROVAL OF HB 363. Motion carried unanimously 18-0 on a voice vote.

Motion/Vote: REP. LEWIS moved that HB 360 BE AMENDED, A TECHNICAL AMENDMENT, PAGE 4, LINE 8, to the credit of, change to say in the Department of Administration. Motion carried unanimously 18-0 on a voice vote.

Motion: REP. LEWIS moved that HB 360 DO PASS AS AMENDED.

*{Tape: 3; Side: A; Approx. Time Counter: 0 - 29.1}*

Vote: Motion carried 17-1 with REP. JUNEAU voting no on a roll call vote.

#### EXECUTIVE ACTION ON HB 13

Motion: REP. LEWIS moved that HB 13 DO PASS.

Motion/Vote: REP. LEWIS moved that HB 13 BE CONCEPTUALLY AMENDED, Page 2, Line 26, to put a period after the word "hour" and Page 2, Line 30, to put a period after the word "hour". Motion failed 8-11 with REPS. BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting yes on a roll call vote.



Substitute Motion/Vote: REP. PATTISON moved that HB 13 BE TABLED. Motion failed 7-12 with REPS. CLARK, FISHER, HEDGES, KASTEN, PATTISON, SINRUD and WITT voting yes on a roll call vote.

Motion/Vote: REP. LEWIS moved that HB 13 DO PASS. Motion carried 12-7 with REPS. CLARK, FISHER, HEDGES, KASTEN, PATTISON, SINRUD and WITT voting no on a roll call vote.

EXECUTIVE ACTION ON HB 761

Motion: REP. HEDGES moved that HB 761 DO PASS.

Motion/Vote: REP. HAINES moved that HB 761 BE CONCEPTUALLY AMENDED with language. Motion carried unanimously 19-0 on a voice vote.

Motion/Vote: REP. HAINES moved that HB 761 DO PASS AS AMENDED. Motion carried unanimously 19-0 on a voice vote.

EXECUTIVE ACTION ON HB 746

Motion: REP. LEWIS moved that HB 746 DO PASS.

Motion/Vote: REP. HEDGES moved that HB 746 BE AMENDED, HB074601.ajm, Exhibit 5. Motion carried unanimously 19-0 on a voice vote.

**EXHIBIT**(aph64a05)

Motion: REP. HEDGES moved that HB 746 DO PASS AS AMENDED.

Motion/Vote: REP. LEWIS moved that HB 746 BE AMENDED, to address the technical notes. Motion carried 18-1 with REP. LINDEEN voting no on a voice vote.

Motion/Vote: REP. HEDGES moved that HB 746 DO PASS AS AMENDED. Motion failed 9-10 with REPS. LEWIS, CLARK, FISHER, HEDGES, KASTEN, PATTISON, RIPLEY, SINRUD and WITT voting yes on a roll call vote.

Motion/Vote: REP. LINDEEN moved that HB 746 BE TABLED. Motion carried 15-4 with REPS. HEDGES, KASTEN, PATTISON and SINRUD voting no on a voice vote.

EXECUTIVE ACTION ON HB 74

Motion/Vote: REP. LINDEEN moved that HB 74 BE TABLED. Motion carried 17-2 with REPS. CLARK and PATTISON voting no on a voice vote.

*{Tape: 3; Side: B; Approx. Time Counter: 0 - 29}*

EXECUTIVE ACTION ON HB 397

Motion/Vote: REP. HAINES moved that HB 397 BE TAKEN OFF THE TABLE FOR RECONSIDERATION. Motion failed 9-10 with REPS. BUZZAS, CALLAHAN, FRANKLIN, HAINES, JAYNE, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting yes.

*{Tape: 4; Side: A; Approx. Time Counter: 0 - 12.2}*

**ADJOURNMENT**

Adjournment: 11:50 A.M.

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REP. DAVE LEWIS, Chairman

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MARY LOU SCHMITZ, Secretary

DL/MS

**EXHIBIT (aph64aad)**